Business Scenario

This deliverable lists questions to be submitted to vendors for written responses. They will be discussed during the conduct of vendor demonstrations. Use a Business Scenario to describe a specific business procedure or operation. It should focus on the activities that are necessary for achieving basic business objectives, and it should be used to determine any items that are unique or critical to a business function.

Business Scenarios:

– differentiate possible solutions and ensure that all key requirements are met. They demonstrate the planned environment.

– provide a common basis for evaluating all vendors and their solutions, since all vendors get the same scenarios.

Use Selection Criteria to guide the creation of Business Scenarios. Use Ranking and Comment Sheets to score Business Scenario solutions that are demonstrated by vendors. To ensure a common and focused evaluation among demonstration participants, map Selection Criteria to the demonstration points that test them. Rate the criteria in context of these points, and base their score on Packaged Software functionality and ease of use.

Consider the level of importance of the Selection Criteria when creating Business Scenarios and using Ranking and Comment Sheets. Criteria with a high level of importance will have a greater impact on the Packaged Software finalist decision than criteria of lower importance.

| I. IPT Name:		
II. **Deliverable Name:** Business Scenario		**Date Completed:**
III. **Contact Information**		
	Name	Channel Unit
IPT Sponsor		
Channel Task Manager		
CIO Task Manager		
Contractor Task Manager		
IV. **Task Order Number:**		

Description

[1] Background - This section contains general information about a company so that the vendors will better understand their prospective customer's structure, operations, business problems and requirements. It helps set the context for all Overall Business Scenarios and Business Scenarios.

[2] Overall Business Scenario - An Overall Business Scenario is meant to produce a general understanding of Packaged Software functions. It serves as a good starting point for vendor demonstrations, since it presents an overview of a certain aspect of the Packaged Software. Thus, demonstration participants gain a common understanding for evaluating the Packaged Software.

Though an Overall Business Scenario is useful for evaluating Packaged Software, do not create too many, since they are intended to demonstrate Packaged Software capabilities at a high level.

[3] Business Scenario - A Business Scenario focuses on a few Packaged Software functions that are necessary for achieving basic business objectives, or unique or critical to business functions. A Business Scenario is more specific and detailed than an Overall Business Scenario, yet it is representative of the way the majority of cases are handled.

Create as many Business Scenarios as are needed so that important Packaged Software Selection Criteria are tested. Keep in mind the time frame that is designated for vendor demonstrations, and consider whether it is realistic to test all of the scenarios within this time frame.
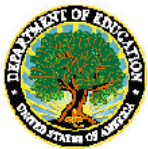
Business Scenario Sample
[1] Human Resources Management Background

XYZ is one of the largest corporations in Canada. It has several distinct business units (natural gas pipeline, distribution, power). There is an increasing number of intercompany transfers of personnel between companies (business units). Several of XYZ's subsidiary companies do their own payroll, personnel, and benefits administration; others rely on XYZ to perform these services for them. In some cases, subsidiary companies maintain their own payroll but benefits administration is done in the Head Office. The business environment in which XYZ operates is heavily regulated.

Many of XYZ's employees are unionized---there are 15 unions in total. It has a total of 6000 employees; only 1600 are handled by the head office Human Resource and Payroll applications. Some of these 1600 people are inactive (retired, disabled, deceased), but records are maintained for benefits purposes.

XYZ offers many employee benefits, including an Employee Savings Plan, Pension Plan, medical and dental insurance, life and accident insurance, and short and long term disability benefits. It also maintains medical and safety records, training and development records, and it administers all of these programs in-house.

XYZ currently has:
- Multiple manual HR processes
- In-house payroll for three of seven companies for whom XYZ administers benefits
- In-house benefits administration
- Centralized administration of/access to HR data
- Remote Time Data Entry capacity for time reporting
- Stand-alone Pension and Savings Plan administration software which is updated monthly from the HR and Payroll applications; some data is manually entered for companies that are not in XYZ's payroll/HR applications. This software performs on-line pension calculation forecasts and entitlements for two defined benefit plans. It also maintains Employee Savings Plan balances (processing contributions, interfund transfers, withdrawals, transfers to an RRSP) for a tax sheltered Deferred Profit Sharing Plan, after-tax Savings Plan, and Group RRSP. Both plans are governed by complex legislative and legal requirements.

XYZ's Business Problems are:
- XYZ cannot quickly modify its applications to reflect changing regulatory requirements or to add/delete participating companies or status codes
- XYZ cannot identify the skills and backgrounds of its employees; therefore succession planning is difficult, and skills under-utilized
- XYZ cannot accurately calculate the impact of benefits/salary administration changes or requests during collective bargaining negotiations
- Unsystematic monthly interface between existing HR/Payroll applications and the stand-alone Pension and Savings Plan Administration application; results in extensive manual intervention
- Multiple groups are set up within each benefit type, but it is impossible to view these groups together these groups together on-line
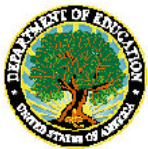
- Incomplete integration with Payroll for benefits deductions and benefit coverage records
- Benefits administration requires extensive manual intervention to handle exceptions to the rules and unusual situations (waived/non-waived premiums, waived waiting periods, etc.)

XYZ would like:
- Fully integrated HR and Payroll application; preferably including the replacement of the stand-alone Pension and Savings Plan administration applications
- Packaged software that can support evolving organization structure and legislative reporting requirements
- Decentralized access to update and/or view particular parts of the database for Managers and employees
- Streamlined paper flow between field sites, HR and Payroll by empowering field locations with certain hiring, salary administration, and benefits function responsibilities; providing electronic signatures; and utilizing imaging/scanning techniques for those forms which can not be eliminated
- Packaged software which supports complex benefits administration
- Ability to administer Flexible Benefits/Cafeteria Plan benefits if XYZ chooses to move in that direction
- Decentralized on-line time data entry
- Continual updates to Payroll (e.g. income taxes, surtaxes) and Human Resources (e.g. Employment Equity, Savings Plan, Pension Plan) to reflect legislative changes
- User friendly screen for data input and inquiry

[2] Overall Business Scenario #1.1

TOPIC:
Hire a New Employee

**APPLICATIONS INVOLVED:**
Payroll
Personnel
Benefits
Labor Capture/Distribution

BACKGROUND:
Department A in location B begins recruiting process to replace a retiring employee. Human Resources is notified on-line of the vacancy via a pre-formatted Request for Personnel with valid electronic approval signatures. The application searches for applicants and employees with appropriate skills and provides a list for the Recruiting Department. If a newspaper advertisement is needed, on-line composition, approval, cost allocation and forwarding to Advertising is provided. Recruiting costs are tracked (travel for Recruiters and applicants, advertising, pre-employment medicals, relocation expenses, etc.) and allocated to the correct cost center. Form letters (letter of offer, declination letters to unsuccessful candidates) are automatically generated by the application.
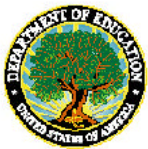
Successful applicant becomes an employee, and all "applicant" data now becomes "employee" data. On-line approval for title, salary, hire date, and salary grade level is forwarded from the originating department/location to Human Resources (or Payroll) for electronic validation. Safety checklists and screens, training screens, skills inventory, salary administration, performance and job evaluation, and recruiting records are all updated automatically with standard checklists and/or administration data. Standard health information and benefits are automatically set up, and exceptions within certain parameters are entered on-line by new employee (PC kiosk or interactive telephones) or authorized location staff, and sent electronically to HR for group insurance reports and EFT premium payments. Organization charts are automatically updated and head count/staff complement reports are printed.

Appropriate information is electronically forwarded to Payroll, the GL, and Pension/Savings Plan administration applications (if not administered through common application). Scanning/imaging is used for resumes, external Applications for Employment, and signed benefit forms where needed.

DEMONSTRATE:
How the data would flow from one module to another

[3] Business Scenario #1.1

TOPIC:
Time Recording/Time Reporting

**APPLICATIONS INVOLVED:**
Labor Capture/Distribution
Benefits
Payroll

BACKGROUND:
XYZ has a variety of needs for the capture and reporting of labor costs. Labor cost is a key component of Maintenance Management, Capital Program Management and management of overhead costs. Because of the need for project related information for capital and maintenance projects, it is important that labor can be captured as low as the task level. XYZ has both salaried employees and hourly employees. Employees may be involved in shift work, may be unionized, can be full-time, part-time, part-year or casual.

DEMONSTRATE:
1. How your application would be able to handle the following scenarios:
    - Hourly employee - report each hour they work in order to get paid (positive time reporting), specifically charge hours to a department, project or task
    - Salary employee - timesheet information defaults, report time on an exception basis (e.g. special project)
2. The ability of your application to capture and report sick leave and vacation entitlements. Show how it would report entitlements for employees who work regular days vs. employees that
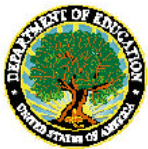
work 12 hour shifts. Show how an employee might access the application to determine how many sick and vacation days they have taken to date and how many days they have remaining.
3. How labor costs can be reported in a project cost summary. Show how quickly the information is passed from the timesheet to a project summary (timeliness of reporting). Show how a project/department manager would have access to their labor cost information.

QUESTIONS:

1. Does your application control who can charge to a particular project or cost center? How easy is it to maintain this information? Can it be done by the person responsible?
2. Remote time data entry is required for the field personnel. Is it possible to have special input devices create timesheet information, such as card readers?
3. Does your application allow for the integration of labor statistics with safety information?
4. Can an employee charge to multiple cost centers or projects? Can time default to multiple cost centers or projects? Are cost centers and projects validated against the same list as the GL?
5. Does your labor capture application allow contract labor to be captured for use in a contract application? Can you distinguish between contractors and regular employees?
6. Are pre-formatted timesheets available? What can be printed on the timesheets? Can they be completed on an ad-hoc basis (when tasks are completed) or do they have to be done weekly?
7. If time is distributed immediately to projects/cost centers and then payroll is processed, how are adjustments between standard and actual labor costs captured and also distributed?
8. How does your application handle burden (surcharge of benefit costs on top of salary)? Can you handle different percentages for capital and non-capital projects?

Request:

Could you please provide a sample labor cost report?